



DEPARTMENT OF TRANSPORTATION

Maritime Administration

Notice of Proposed Policy Clarification Concerning Designation of Adjacent Coastal States for Deepwater Port License Applications

AGENCY: Maritime Administration, DOT

ACTION: Notice of Proposed Policy Clarification

SUMMARY: The Maritime Administration (“MarAd”) is seeking comments on a proposed policy clarification for deepwater port license applications. Specifically, nautical miles shall be applied when designating Adjacent Coastal States under 33 U.S.C. 1508(a)(1).

DATES: Written public comments regarding this MarAd policy clarification shall be submitted by [insert date 30 days from publication of notice].

ADDRESSES: The public docket for USCG-2012-0927 is maintained by the: Department of Transportation, Docket Management Facility, West Building, Ground Floor, Room W12-140, 1200 New Jersey Avenue, S.E., Washington, DC 20590-0001.

The Federal Docket Management Facility accepts hand-delivered submissions and makes docket contents available for public inspection and copying at this address between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The Facility telephone number is 202-366-9329, the fax number is 202-493-2251, and the website for electronic submissions or for electronic access to docket contents is <http://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT: Ms. Yvette Fields, Maritime Administration, at (202)366-0926 or Yvette.Fields@dot.gov. If you have questions regarding viewing the Docket, contact Renee V. Wright, Program Manager, Docket Operations, at (202)493-0402.

SUPPLEMENTARY INFORMATION:

MarAd has reviewed policies and practices with regard to designation of Adjacent Coastal States (“ACS”) in the deepwater port application licensing process. In past applications and public notices, MarAd found inconsistency in the use of units of distance in describing the distance between proposed deepwater ports and ACS.

Under 33 U.S.C. 1508(a)(1), when issuing a Notice of Application, MarAd, as designated by the Secretary of Transportation, shall designate as an ACS “any coastal State which (A) would be directly connected by pipeline to a deepwater port as proposed in an application, or (B) would be located within 15 miles of any such proposed deepwater port.” In general, in its publications, MarAd adopted the units of measurement provided by the deepwater port license applicants in their description of their proposed deepwater ports. At different times, MarAd used statute miles (approximately .87 nautical miles) or nautical miles (approximately 1.15 statute miles) in describing the location of deepwater ports in its publications.

Due to the configuration and the physical location of proposed deepwater port projects in prior applications, the use of statute or nautical miles did not impact the designation of an ACS, since these projects were either connected to the ACS directly by pipeline, or were within both 15 statute and 15 nautical miles from those states. As a result, MarAd was not required to clarify which unit of measurement is the appropriate distance standard to apply when designating an ACS in Notices of Application. For proposed deepwater port locations where the chosen distance standard is significant to the designation of ACS (applications where the port location falls between 15 statute and 15 nautical miles of a potential ACS), however, clarification of the standard measure is necessary. For the sake of clarity in such instances, MarAd is issuing this notice of proposed policy clarification that nautical miles shall be applied when designating ACS under 33 U.S.C. 1508(a)(1).

The Deepwater Port Act (“DWPA” or the “Act”) (33 U.S.C. §§ 1501 *et seq.*) authorizes the Secretary of Transportation to issue licenses for the construction and operation of deepwater ports.¹ A deepwater port is defined in Section 1502 of the Act as “any fixed or floating manmade structure other than a vessel, or any group of such structures, that are located beyond State seaward boundaries and that are used or intended for use as a port or terminal for the transportation, storage, or further handling of oil or natural gas for transportation to any State”² Deepwater ports include “all components and equipment, including pipelines . . . to the extent they are located seaward of the high water mark.”³ The DWPA provides for a mandatory designation of State(s) as “Adjacent Coastal State(s)” (“ACS”) if certain criteria are met. Those criteria are if the ACS: (1) would be “directly connected by pipeline to a deepwater port,” or (2) “would be located within 15 miles of any such proposed deepwater port.”⁴ The DWPA does not specify whether the 15 mile geographical limit for the automatic designation of an ACS should be marked in statute miles⁵ or nautical miles.⁶

Congress did not specify how the 15 mile distance should be measured. Nevertheless, an examination of the entire statute and legislative history leads to the conclusion that Congress intended that for these purposes, where units of distance measurement are not specified as statute

¹ The Secretary of Transportation delegated to the Maritime Administrator the authority to “issue, transfer, amend, or reinstate a license for the construction and operation of a deepwater port.” 49 C.F.R. § 1.93(h)(1).

² 33 U.S.C. § 1502(9)(A).

³ *Id.* at § 1502(9)(B).

⁴ *Id.* at § 1502(1)(A)&(B). The Act also provides for a permissive designation of an ACS if, upon petition and provision of evidence, the Maritime Administrator determines that “there is a risk of damage to the coastal environment of such State equal to or greater than the risk posed to a State directly connected by pipeline to the proposed deepwater port.” 33 U.S.C. § 1508(a)(2).

⁵ One statute mile equals 5280 feet.

⁶ One nautical mile equals 6076 feet.

miles or nautical miles, those units of measurement should be read in terms of generally accepted nautical standards (i.e., nautical miles).

In enacting the DWPA, Congress declared its purpose to be, among other things, to: “(1) authorize and regulate the location, ownership, construction, and operation of deepwater ports in waters beyond the territorial limits of the United States; [and] (2) provide for the protection of the marine and coastal environment to prevent or minimize any adverse impact which might occur as a consequence of the development of such ports.”⁷ The Act defines the term “coastal environment” in relevant part as: “the navigable waters (including the lands therein and thereunder) and the adjacent shorelines (including waters therein and thereunder).”⁸ The term “marine environment” is defined as including: “the coastal environment, waters of the contiguous zone, and waters of the high seas.”⁹

The DWPA does not provide further definition of the terms “territorial limits,” “navigable waters (including the lands therein and thereunder),” or “contiguous zone.” However, these jurisdictional boundaries have well accepted meanings both in international law and United States law and help clarify how the 15 mile jurisdictional area for automatic designation of an ACS should be measured. Article 1 of the Convention on the Territorial Sea and the Contiguous Zone establishes that a Coastal State’s sovereignty extends “beyond its land territory and internal waters, to a belt of sea adjacent to its coast, described as a territorial sea.”¹⁰ Article 24 of the treaty also establishes that a Coastal State may exercise certain authorities in a

⁷ 33 U.S.C. § 1501(1)&(2).

⁸ Id. at § 1502(5).

⁹ Id. at § 1502(12).

¹⁰ 15 U.S.T. 1606. This treaty was ratified by the United States on March 24, 1961, and entered into force on September 10, 1964.

“zone of the high seas contiguous to its territorial sea”¹¹ For purposes of the Treaty, both the Territorial Sea and the Contiguous Zone are measured from the “baseline,” normally the mean low water line along the coast of the United States. The United Nations Convention on the Law of the Sea (“UNCLOS”) further clarifies the breadth of a Coastal State’s jurisdiction in its Territorial Sea and Contiguous Zone by establishing a seaward limit of “12 nautical miles” and “24 nautical miles” respectively.¹² Although the United States has not ratified UNCLOS, it has adopted the jurisdictional areas referenced in UNCLOS. In establishing its territorial limits, the United States has uniformly applied the international standard and used nautical miles as the unit of measurement.¹³

The Submerged Lands Act (“SLA”) was enacted in 1953.¹⁴ Its purpose was to “confirm and establish the titles of the States to lands beneath navigable waters within State boundaries and to the natural resources within such lands and waters, to provide for the use and control of said lands and resources, and to confirm the jurisdiction and control of the United States over the natural resources of the seabed of the Continental Shelf seaward of State boundaries.”¹⁵ The SLA defines the term “boundaries” in relevant part to include: “the seaward boundaries of a State . . . but in no event shall the term ‘boundaries’ be interpreted as extending from the coast line more than three geographical miles into the Atlantic Ocean or the Pacific Ocean, or more than three marine leagues into the Gulf of Mexico.”¹⁶ The SLA also provides that “[t]he seaward boundary of each original coastal State is hereby approved and confirmed as a line three

¹¹ Id.

¹² UNCLOS Part II, Article 2 and Article 33.

¹³ See, e.g., Presidential Proclamation No. 5928 of December 27, 1998: “The territorial sea of the United States henceforth extends to 12 nautical miles from the baselines of the United States determined in accordance with international law.”

¹⁴ 67 Stat. 29.

¹⁵ Id.

¹⁶ 43 U.S.C. § 1301(b).

geographical miles distant from its coast line”¹⁷ In the case of *United States v. California*, the Supreme Court considered the extent of submerged lands granted to the State of California by the SLA. After reviewing the SLA and its legislative history, the Court concluded that the SLA “effectively grants each State on the Pacific coast all submerged lands shoreward of a line three geographical miles from its coast line”¹⁸ The Court further explained that “one English, statute, or land mile equals approximately .87 geographical, marine, or nautical mile. The conventional ‘3-mile limit’ under international law refers to three geographical miles, or approximately 3.45 land miles.”¹⁹

In defining the term “coastal environment,” the DWPA explicitly refers to “navigable waters (including the lands therein and thereunder).”²⁰ This definition is similar to what is found in the SLA’s statement of purpose (“lands beneath navigable waters within State boundaries”). As noted above, the SLA confers upon States title to, and ownership of, the “lands beneath navigable waters within their boundaries,” and applies geographical (nautical) miles for that purpose.

The legislative history of the DWPA reveals that Congress viewed ACS status as a jurisdictional issue. For example, in the Conference Report to the DWPA, the State’s role in approving a deepwater port is discussed in terms of the three-mile limit which is measured in nautical miles. Congress recognized that “under the Submerged Lands Act . . . the States have either exclusive or concurrent authority with the Federal government over most activities within the 3-mile limit,”²¹ which is measured in geographical (nautical) miles. Moreover, the Senate

¹⁷ *Id.* at § 1312.

¹⁸ *U.S. v. California*, 381 U.S. 139 at 148 (May 17, 1965).

¹⁹ *Id.* at Fn. 8.

²⁰ See Fn. 16 *supra*.

²¹ 1974 U.S.C.C.A.N. 7529 at 7538.

Report noted, a Coastal State's jurisdiction would end at the State's three-nautical mile seaward boundary and the State would have no authority over the offshore activity.

Consistent with Congress' view of ACS status as a jurisdictional issue, the use of nautical miles to determine ACS status allows for an extension of the State's jurisdiction to be measured consistently with the measures of jurisdiction required by law. Absent this interpretation, a State's jurisdiction that is measured in nautical miles would then subsequently be extended by Congress under a different unit of measurement.

In addition to the legislative history, the regulatory history of the Deepwater Ports program provides additional support for interpreting the DWPA to apply nautical miles to ACS designations. The original Final Rule in 33 C.F.R. Part 148 published on November 10, 1975, defined mile for the purposes of the regulations as a nautical mile.²² Though the definition for "mile" was subsequently removed in a May 20, 2003, Notice of Proposed Rulemaking and does not appear in the Final Rule published on September 29, 2006, 33 C.F.R. Part 2 indicates that nautical miles are the appropriate units of measurement to be employed for determining United States Coast Guard jurisdictional definitions where such jurisdictional definitions are not otherwise provided.²³

As a result of its interpretation of the DWPA, its legislative history, and implementing regulations, MarAd proposes to apply nautical miles when designating ACS in future Notices of Application under 33 U.S.C. 1508(a)(1).

Request for Comments:

²² 40 Fed. Reg. 52401 (Nov. 10, 1975).

²³ See 33 C.F.R. § 2.1(a) ("The purpose of this part is to define terms the U. S. Coast Guard uses in regulations, policies, and procedures, to determine whether it has jurisdiction on certain waters where specific jurisdictional definitions are not otherwise provided.").

MarAd is seeking comment on the proposed policy clarification and invites interested parties to visit its website for background information. MarAd will consider comments in formulating a final notice of policy clarification.

Dated: February 28, 2013.

By Order of the Maritime Administrator.

Julie P. Agarwal
Secretary, Maritime Administration

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